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September 13, 2004

Marlene H. Dortch Secretary Federal Communications Commission 445 - 12th Street, SW Washington, DC 20554

Re: <u>AT&T Wireless Services, Inc. and Cingular Wireless Merger</u>

WT Docket No. 04-70 - Ex Parte Filing

Dear Ms. Dortch

On August 31 and September 1, 2004, Thomas Attar, Vice President of Highland Cellular, and I met with John Muleta, Chief of the Wireless Bureau, Thomas Navin and a number of his colleagues in the Wireline Competition Bureau's Competition Policy Division (William Dever (Asst. Chief), Julie Veach (Asst. Chief), Michelle Carey (Chief), Pam Megna (Attorney Advisor), and Rodger Woock), Barry Ohlson of Commissioner Adelstein's staff, and Commissioner Michael Copps and his staff. Mr. Attar and I were representing our companies, but also an informal and growing group of small wireless carriers which are working together with Cingular to extend high quality GSM service to all Americans through cooperative action in a wide variety of areas including wireless broadband, Enhanced 9-1-1, and other areas.

We expressed our strong support for rapid Commission approval of the Cingular/AT&T Wireless merger. We noted how the success of many small rural carriers is tied in large part to the national success of the large GSM carriers. Our support for the merger is based on the competitive future we see for smaller carriers in offering new and better services to our rural customers, rather than the past where we were very reliant on roaming revenues.

This includes our ability to extend modern wireless services into underserved areas at reasonable prices. We told the Commission members and staff that, as a first step, Cingular has agreed to allow its rural roaming partners to "buy off its rate card". Its recent UMTS RFP has a requirement that the successful bidders offer the same prices, terms and conditions to small rural carriers like ours.

We noted that we do not have the purchasing power to cause large international manufacturers to respond to our needs. For example, we will want to offer the next generation of high speed products and services on 850 MHz spectrum – which has excellent propagation characteristics for rural areas, but is not offered elsewhere in the world. Equipment for that purpose will only be

available soon, and at reasonable prices, if a company of the size of the combined Cingular/AWS puts its purchasing power behind that goal. Without the Cingular/AWS leadership, the UMTS manufacturers will not be incented to develop the 3G products at 850 MHz—there is little demonstrated need in the rest of the world.

We described our plans to expand GSM service in rural areas. However, we noted that this is a national market; our customers are buying access to a national service, not just what we can provide. Similarly, we said we can strengthen the offerings of our strategic roaming partners by extending their service and their offerings across a larger part of the country.

We said we look forward to the rapid completion of this merger so we have a strong national partner that has the ability to support our construction of new capacity and thus new competition in areas which do not today have GSM service.

We described our active efforts with Cingular and other small rural carriers to develop a partnership to bring these services to our current and future customers in a cost effective way. We are in the process of developing the agenda, principles and goals of that partnership, working with an ever-widening circle of small wireless carriers.

In addition to cooperative purchasing and long term roaming arrangements, one of the areas we are exploring is public safety. This will include how, working together, we can (a) improve coverage, eliminating "dead zones", (b) provide Enhanced 9-1-1 services faster and more efficiently, and (c) provide broadband wireless services to safety agencies and the public.

We encouraged Commission members and staff to approve the merger as rapidly as possible. The public interest in more competition, rural service, and the other benefits cited here is being negatively affected by the passage of time. Proposed mergers freeze action despite the best intentions of the parties. And indeed most of the benefits we believe will result, will stem from the merger itself.

Pursuant to the Commission's Rule 1.1206(b), this letter is being filed electronically.

Sincerely yours,

Terry Addington
Chief Executive Officer

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